

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

200 W. Washington, Suite 301
Indianapolis, IN 46204
(317) 233-0696
<http://www.in.gov/legislative>

FISCAL IMPACT STATEMENT

LS 6592

BILL NUMBER: SB 142

NOTE PREPARED: Dec 10, 2003

BILL AMENDED:

SUBJECT: Judicial Retirement Benefits.

FIRST AUTHOR: Sen. Bray

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: ☒ **GENERAL**
DEDICATED
FEDERAL

IMPACT: State

Summary of Legislation: This bill allows a retired judge who receives a state salary for services currently performed to also receive a judge's retirement benefit. (The introduced version of this bill was prepared by the Commission on Courts.)

Effective Date: July 1, 2004.

Explanation of State Expenditures: The Judges' Retirement System is funded on a pay-as-you-go basis and the following table illustrates the increase in the recommended annual contributions (based on a projection of benefit payouts) for one judge over the next five years. (Note: The payouts will continue past the five years illustrated below.) The specific fiscal impact will depend upon the number of judges who would be affected by this proposal.

(Note: The impact which appears below is based on the 2002 Judges' Retirement System annual valuation. It will be updated upon receipt of the 2003 data.)

Plan Year	Increase in Recommended Annual Contributions
2004-2005	\$51,891
2005-2006	\$51,551
2006-2007	\$950
2007-2008	\$939
2008-2009	\$928
Total	\$106,259

Background Information: It is difficult to estimate the fiscal impact of this proposal since it is unknown how many judges this would affect. For this analysis, benefits were estimated for a retired judge who is 62 years of age with 23 years of service and is receiving state salary for services currently performed. It also has been assumed that this judge will cease receiving state salary at age 65. Under current statute, this retired judge is unable to begin receiving benefits from the Judges' Retirement System until age 65. This proposal would allow this retired judge to begin receiving benefits immediately.

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Public Employees' Retirement Fund as administrators of the Judges' Retirement System.

Local Agencies Affected:

Information Sources: Doug Todd of McCready & Keane, Inc., actuaries for PERF and the Judges' Retirement System, 576-1508.

Fiscal Analyst: James Sperlik, 317-232-9866.

DEFINITIONS

Pay-As-You-Go Method— sometimes called current disbursement cost method, is a method of recognizing the costs of a retirement system only as benefits are paid.